

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE COMMISSIONER OF COMMERCE

In the Matter of the Securities
Broker-Dealer License of Royal Palm
Investments, f/k/a PCM Securities; and
Roland Greenspan, Principal

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATION**

The above-entitled matter came on for prehearing conference before Administrative Law Judge Steve M. Mihalchick on February 26, 1999, at 1:30 p.m. at the Office of Administrative Hearings, 100 Washington Avenue South, Minneapolis, Minnesota. Michael J. Tostengard, Assistant Attorney General, Suite 1200, 445 Minnesota Street, St. Paul, Minnesota 55101-2130, appeared on behalf of the Department of Commerce ("the Department"). There was no appearance by or on behalf of Respondents Royal Palm Investments, f/k/a PCM Securities; or Roland Greenspan. The record closed upon this matter upon the close of the prehearing conference on February 26, 1999.

NOTICE

This Report is a recommendation, not a final decision. The Commissioner of Commerce will make the final decision after a review of the record. The Commissioner may adopt, reject or modify the Findings of Fact, Conclusions, and Recommendations. Under Minn. Stat. § 14.61, the final decision of the Commissioner shall not be made until this Report has been made available to the parties to the proceeding for at least ten days. An opportunity must be afforded to each party adversely affected by this Report to file exceptions and present argument to the Commissioner. Parties should contact the Commissioner of Commerce, 133 East Seventh Street, St. Paul, Minnesota 55101, to ascertain the procedure for filing exceptions or presenting argument.

STATEMENT OF ISSUES

The issues in this case are whether the Respondents Royal Palm Investments and Roland Greenspan engaged in dishonest or fraudulent practices in violation of Minn. Stat. § 80A.01 (1998) and Minn. R. 2875.1050 A, D, and I (1997) and sold securities not registered in the state of Minnesota in violation of Minn. Stat. § 80A.08 (1998)

Based upon all of the proceedings herein, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. The Notice of and Order for Hearing, Notice of Prehearing Conference and Order to Show Cause in this matter was served upon the Respondents by certified U.S. mail on February 19, 1999, at their last known addresses and by leaving a copy in the Office of the Commissioner pursuant to Minn. Stat. § 45.028 (1998).

2. The Notice of and Order for Hearing, Notice of Prehearing Conference and Order to Show Cause served on Respondents contained the following informational notice in bold-face type:

If Respondent fails to attend or otherwise appear at any prehearing conference or settlement conference or the hearing in this matter or fails to comply with any interlocutory order of the judge after having been served with a copy of this Order, Respondent shall be deemed in default and the allegations or issues set forth herein may be deemed proved and Respondent's securities broker-dealer license may be revoked or suspended or Respondent [may be] censured and/or a civil penalty may be imposed against Respondent without further proceedings.

3. Neither Respondent filed any Notice of Appearance with the Administrative Law Judge or made any request for a continuance or any other relief. Neither Respondent appeared at the prehearing conference scheduled on February 26, 1999, nor had an appearance made on its behalf.

4. Because the Respondents failed to appear at the hearing in this matter, they are in default. Pursuant to Minn. R. 1400.6000, the allegations contained in the Notice of and Order for Hearing are hereby taken as true and incorporated into these Findings of Fact.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. The Minnesota Department of Commerce and the Administrative Law Judge have jurisdiction over this matter pursuant to Minn. Stat. §§ 14.50, 45.027, and 80A.07 (1998).

2. The Department has given proper notice of the hearing in this matter and has fulfilled all relevant substantive and procedural requirements of law and rule.

3. Respondents, having made no appearance at the hearing, and not requesting any continuance or relief, are in default. Pursuant to Minn. R. 1400.6000, the allegations contained in the Notice of and Order for Hearing are hereby taken as true.

4. Respondents Royal Palm Investments and Roland Greenspan engaged in fraudulent and dishonest practices in violation of Minn. Stat. § 80A.01 (1998) and Minn. R. 2875.1050 A, D, and I (1997).

5. Respondents Royal Palm Investments and Roland Greenspan sold securities not registered in the state of Minnesota in violation of Minn. Stat. § 80A.08 (1998)

6. Respondents are subject to discipline and civil penalties pursuant to Minn. Stat. §§ 45.027, subds. 6 and 7, and 80A.07, and the imposition of sanctions is in the public interest.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

RECOMMENDATION

IT IS HEREBY RESPECTFULLY RECOMMENDED that the Commissioner of Commerce take disciplinary action against the Respondents and impose appropriate civil penalties.

Dated this 10th day of March, 1999.

STEVE M. MIHALCHICK
Administrative Law Judge

Reported: Default.

NOTICE OF AGENCY DECISION

Under to Minn. Stat. § 14.62, subd. 1, the agency is required to serve its final decision upon each party and the Administrative Law Judge by first class mail or as otherwise provided by law.